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FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

Website: <http://www.irasia.com/listco/hk/fareasttech>

CANCELLATION OF THE AGREEMENT

Due to the due diligence review on Asian Mark and its subsidiary, being one of conditions precedent to the Agreement, had not been completed by 15 July 2001, the Company and the Sellers had agreed in writing to cancel the Agreement on 14 July 2001.

Unless otherwise defined, terms used herein shall have the same meaning as those used in the announcement made by the Company on 12 April 2001. References are made to the Company's announcement on 12 April 2001 regarding the acquisition of 49% interests in Asian Mark and the pro-rata directors' loan advanced to Asia Continental (the "Agreement") which constitutes a discloseable transaction for the Company and the subsequent announcements on 23 April 2001, 14 May 2001 and 14 June 2001 regarding the delay in dispatch of the related circular from 24 April 2001 to 15 May 2001, 15 May 2001 to 15 June 2001 and 15 June 2001 to 16 July 2001 respectively.

The Company and the Sellers have not been able to reach agreement on various operational issues and obtain regulatory approvals on the licence for Asia Continental, a wholly-owned subsidiary of Asian Mark, to conduct oil exploration business in the PRC. Accordingly, the due diligence review on Asian Mark and its subsidiary, being one of the conditions of the Agreement, cannot be completed by 15 July 2001 to the satisfaction of the Company. The Company and the Sellers had therefore on 14 July 2001 agreed in writing to cancel the Agreement and to release and discharge each other from all obligations and claims in relation to the Agreement. The circular with respect to the Agreement will not be dispatched. The cancellation of the Agreement made no material impact on the Company. The Company will continue to look for other investment opportunities in the PRC.

By Order of the Board of
FAR EAST TECHNOLOGY INTERNATIONAL LIMITED
Duncan Chiu

Deputy Managing Director

Hong Kong, 16 July 2001